

FISCAL NOTE

SB 1675 - HB 2205

April 4, 2007

SUMMARY OF BILL: Reallocates monies received in either civil settlements or restitution of civil forfeitures in criminal matters relating to Medicaid fraud between the county, county general fund and the state. Creates a Class A misdemeanor for making false statements relating to health care in the second degree. Creates a Class A misdemeanor for possession of criminally diverted prescription medications and devices in the fourth degree. Creates a Class E felony for obtaining payment in excess of \$7,500 in certain situations. Creates a Class E felony for making false statements in the first degree. Creates a Class E felony for possession of criminally diverted prescription medications and devices in the third degree. Creates a Class D felony for possession of criminally diverted prescription medications and devices in the second degree. Creates a Class C felony for possession of criminally diverted prescription medications and devices in the first degree. Requires a program of corporate compliance by Medicaid providers which is overseen by the Bureau of TennCare and the Office of Inspector General.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Net Impact - Not Significant

Increase Local Govt. Expenditures – Not Significant

Increase Local Govt. Revenues – Not Significant

Other Fiscal Impact – Increase Federal Expenditures – Not Significant

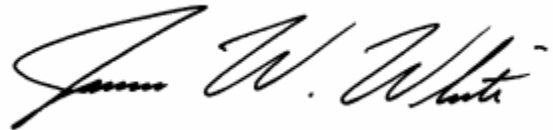
Additionally, the bill reallocates the non-federal share of monies collected from settlements or restitution of civil forfeitures. The amount of shift from state collections to local collections cannot be determined. The local governments will incur an increase in revenues and the state will incur a decrease in revenues. The amount of each is dependant on the numbers and amounts of settlements awarded and the agencies which provided resources to try the cases. This amount cannot be reasonably quantified.

Assumptions:

- There will not be a significant increase in caseloads for the state and local courts. Any increase in expenditures will be absorbed within existing resources.
- The Bureau of TennCare and the Office of Inspector General will not incur a significant increase in expenditures to oversee the corporate compliance program.
- There will not be a significant increase in local government expenditures or revenues for the creation of the two Class A misdemeanors.
- According to the Department of Correction, the offenses that are created in the bill would be violations of other offenses under current law. There would not be a significant net impact to state expenditures for the creation of the offenses.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director